

ORIGINAL OPEN MEETING



MEMORANDUM RECEIVED

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TO: THE COMMISSION

2006 JUL 11 P 12: 03

Arizona Corporation Commission

DOCKETED

FROM: Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

JUL 11 2006

DATE: July 11, 2006

DOCKETED BY

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RE: IN THE MATTER OF THE APPLICATION OF DONEY PARK WATER FILING
TO REVISE ITS DEVELOPMENT FEE TARIFF (DOCKET NO. W-01416A-06-
0323)

On May 9, 2006, Doney Park Water ("Company") filed for Arizona Corporation Commission ("Commission") approval of a tariff revising its Development Fee Tariff.

The Company currently has an approved Development Fee Tariff. This tariff contains general provisions concerning the Company's ability to collect a Development Fee from each "new" customer seeking water service to a structure, lot or parcel never previously receiving water. The proposed revised Development Fee provides a more clearly defined tariff setting forth particular conditions that will allow this approved fee to be assessed.

The Development Fee is designed so an equitable share of the cost of the backbone system is paid by each lot based upon the general nature of the uses on the lot. The Company has found that in some instances plans to build a second habitable structure (e.g., a guest home or apartments/condominiums) are not disclosed or the structure is built in subsequent years and additional Development Fees have gone uncollected that would have been collected if the additional structures had been constructed initially. This tariff revision adds language that clearly defines when the then current lot owner should pay the difference between the amount of the Development Fee in the altered configuration and the amount of Development Fee that has been previously paid to the Company. This ensures that all customers are treated the same and pay their proportionate share of the backbone system equal to the maximum potential demand placed on the system.

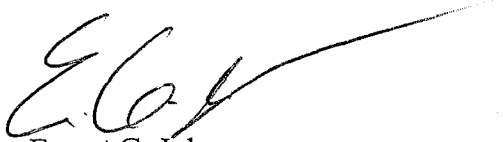
The revised tariff, which will be available in the Company's office and of which the customers will be noticed, would provide detailed information regarding re-computing the Development Fees when additional dwelling units placed on lots or parcels would result in a higher Development Fee than what had previously been paid for the lot or parcel.

THE COMMISSION

July 11, 2006

Page 2

Staff has reviewed the tariff request and finds the additional language in the revision more clearly defines the tariff as described above. Staff finds the revision to be in the public interest. Staff recommends approval of the filing.

A handwritten signature in black ink, appearing to read 'EGJ', with a long horizontal flourish extending to the right.

Ernest G. Johnson

Director

Utilities Division

EGJ:CEW:lhv\DR

ORIGINATOR: Connie Walczak

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 JEFF HATCH-MILLER

Chairman

3 WILLIAM A. MUNDELL

Commissioner

4 MARC SPITZER

Commissioner

5 MIKE GLEASON

Commissioner

6 KRISTIN K. MAYES

Commissioner

7
8 IN THE MATTER OF THE APPLICATION
9 OF DONEY PARK WATER TARIFF
10 FILING TO REVISE ITS DEVELOPMENT
11 FEE TARIFF

DOCKET NO. W-01416A-06-0323

DECISION NO. _____

ORDER

12 Open Meeting
13 July 25-26, 2006
14 Phoenix, Arizona

14 BY THE COMMISSION:

15 FINDINGS OF FACT

16 1. On May 9, 2006, Doney Park Water ("DPW") filed for Commission approval of a
17 tariff revising its Development Fee Tariff.

18 2. The Company currently has an approved Development Fee Tariff. This tariff
19 contains general provisions concerning the Company's ability to collect a Development Fee from
20 each "new" customer seeking water service to a structure, lot or parcel never previously receiving
21 water. The proposed revised Development Fee provides a more clearly defined tariff setting forth
22 particular conditions that will allow this approved fee to be assessed.

23 3. The Development Fee is designed so an equitable share of the cost of the backbone
24 system is paid by each lot based upon the general nature of the uses on the lot. The Company has
25 found that in some instances plans to build a second habitable structure (e.g., a guest home or
26 apartments/condominiums) are not disclosed or the structure is built in subsequent years and
27 additional Development Fees have gone uncollected that would have been collected if the
28 additional structures had been constructed initially.

1 4. This tariff revision adds language that clearly defines when the then current lot
2 owner should pay the difference between the amount of the Development Fee in the altered
3 configuration and the amount of Development Fee that has been previously paid to the Company.
4 This ensures that all customers are treated the same and pay their proportionate share of the
5 backbone system equal to the maximum potential demand placed on the system.

6 5. Staff recommends approval of Doney Park Water's revised Development Fee Tariff
7 as follows: "a. The Development Fee may be assessed only once per lot or parcel; provided,
8 however, if, after the Development Fee is paid, additional dwelling units are located on the lot or
9 parcel or the use for structures not primarily intended for habitation is increased such that the
10 current use on the lot or parcel would have resulted in a higher Development Fee than what has
11 previously been paid for the lot or parcel, the Company shall re-compute the Development Fee and
12 assess the current customer the portion of the Development Fee not previously paid."

13 6. Staff also recommends the following conditions be met:

- 14 A. That Doney Park Water docket an amended tariff with Docket Control as a
15 compliance matter in this case within 30 days of a Commission decision.
- 16 B. That Doney Park Water provide notice of the amended tariff to its customers by
17 means of an insert in its next regularly scheduled billing in a format acceptable
18 to Staff. DPW shall file a copy of the notice with Docket Control as a
compliance matter in this case within 30 days of providing notice to its
customers.

19 CONCLUSIONS OF LAW

20 1. Doney Park Water is an Arizona public service corporation within the meaning of
21 Article XV, Section 2, of the Arizona Constitution.

22 2. The Commission has jurisdiction over Doney Park Water and over the subject
23 matter of this application.

24 3. The Commission, having reviewed the application and Staff's Memorandum dated
25 July 11, 2006, concludes that it is in the public interest to approve Doney Park Water's request for
26 a tariff revision.

27 ...

28 ...

ORDER

IT IS THEREFORE ORDERED that Staff's recommendations, as set forth in Findings of Fact Nos. 5 and 6 are reasonable and are hereby adopted.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2006.

BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:CEW:lh\DR

1 SERVICE LIST FOR: Doney Park Water
2 DOCKET NO. W-01416A-06-0323

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9 Arizona Corporation Commission
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